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## NEWS RELEASE

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### **PSC to Take Public Comments in Big Rivers Rate Case** *Electric utility is seeking to increase rates to offset lost revenue*

**FRANKFORT, Ky. (June 5, 2013)** – The Kentucky Public Service Commission (PSC) will offer opportunities next week for members of the public to provide comments on a request by Big Rivers Electric Corp. to increase rates.

A public meeting will be held on the afternoon of Thursday, June 13 in Henderson, followed that evening by a video conference linking a public meeting in Owensboro with sites in Paducah and Brandenburg.

Both sessions will begin with a presentation by PSC staff on the regulatory processes governing the case and an overview of the Big Rivers proposal.

"These meetings are an opportunity for the public to learn how the PSC reaches a decision in cases such as this," PSC Chairman David Armstrong said. "The meetings also allow the PSC to hear directly from ratepayers in these matters."

Because Big Rivers provides power to an area extending from Meade County near Louisville to Ballard County on the Mississippi River, conducting simultaneous meetings by video conference is an efficient way to reach the entire service territory, Armstrong said.

Big Rivers is seeking approval to adjust rates to increase adjusted annual revenue by \$74.5 million. Of that amount, \$63 million is to partly offset the loss of revenue that will occur when the Century Aluminum Co. smelter in Hawesville ceases to be a customer in mid-August. Century Aluminum consumes about 40 percent of the power generated by Big Rivers, and a slightly larger share of total revenue.

The remaining portion of the \$74.5 million is needed for Big Rivers to maintain financial stability and meet its debt obligations, the utility says.

In its application, Big Rivers estimates that the rate changes will increase average monthly residential bills by about \$24 per month, or about 19 percent. Large industrial customers would see rates go up about 17 percent, the utility says.

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The current case does not take into consideration the impending loss of Big Rivers' second-largest customer, the Rio Tinto Alcan aluminum smelter in Sebree, which has been purchased by Century Aluminum. It uses about one-fourth of the power Big Rivers produces and has announced its intention to close in January.

Big Rivers has filed notice of a second request for rate adjustment to account for the loss of the Alcan revenue.

Although Big Rivers and Century have been working toward an agreement that would keep both smelters operational - by purchasing power on the open market rather than from the utility - documents outlining the arrangement have not been filed with the PSC. If an agreement is reached, it will require review and approval by the PSC in a separate proceeding before it can take effect. Its impacts may be considered in connection with the current case.

The public meetings are scheduled for:

### **Henderson**

**Thursday, June 13, 2013, 1 p.m. CDT**

Auditorium, South Middle School  
800 South Alves St.

### **Owensboro**

**Thursday, June 13, 2013, 5:30 p.m. CDT**

Room 107, Advanced Technology Center  
Owensboro Community & Technical College  
4800 New Hartford Road

### **Paducah**

**Thursday, June 13, 2013, 5:30 p.m. CDT**

Crounse Hall Room 228  
West Kentucky Community & Technical College  
4810 Alben Barkley Drive

### **Brandenburg**

**Thursday, June 13, 2013, 6:30 p.m. EDT**

Auditorium, Meade County High School  
938 Old State Road

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For those unable to attend the meetings, the informational presentation will be made available on the PSC website, [psc.ky.gov](http://psc.ky.gov), on the morning of June 13. A video recording of the meetings also will be available on the website.

The Big Rivers application and related documents are available on the PSC website. The case number is 2012-00535.

In addition to the public meetings, the PSC will conduct a formal evidentiary hearing in the case beginning at 10 a.m. EDT on Monday, July 1. The hearing will be held at the PSC offices at 211 Sower Boulevard in Frankfort. It will be open to the public and may be viewed live on the PSC website.

Written comments will be accepted through the conclusion of the evidentiary hearing. They may be mailed to the PSC at P.O. Box 615, Frankfort, KY 40602, faxed to 502-564-9625, e-mailed from the PSC website or submitted in person at the public meetings or at the PSC offices.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 90 employees.

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